

UNITED STATES DISTRICT COURT
 for the
 Southern District of Ohio

FILED
 RICHARD W. NAGEL
 CLERK OF COURT

4/10/24

United States of America)
 v.)
)
)
 ALICIA MCDERMOTT) Case No. 3:24-mj-200
)
)

U.S. DISTRICT COURT
 SOUTHERN DIST. OHIO
 WEST. DIV. DAYTON

Defendant(s)

CRIMINAL COMPLAINT BY TELEPHONE OR OTHER RELIABLE ELECTRONIC MEANS

I, the complainant in this case, state that the following is true to the best of my knowledge and belief.

On or about the date(s) of 2/7/2024 in the county of Montgomery in the
Southern District of Ohio, the defendant(s) violated:

<i>Code Section</i>	<i>Offense Description</i>
18 USC s. 641	theft of property of the United States

This criminal complaint is based on these facts:

See Attached Affidavit of David Ashley

Continued on the attached sheet.

David Ashley
 Complainant's signature

David Ashley, SA of the IRS/CI
 Printed name and title

Sworn to by reliable electronic means -- namely, telephone.

Date: April 10, 2024

City and state: Dayton, Ohio

Caroline H. Gentry
 Caroline H. Gentry
 United States Magistrate Judge



AFFIDAVIT IN SUPPORT OF
COMPLAINT

I, David M. Ashley, being duly sworn, depose and state as follows:

I.

INTRODUCTION

1. I have been a Special Agent (“SA”) with the United States Treasury Department, Internal Revenue Service, Criminal Investigation (“IRSCI”) since 2023. I have received training concerning accounting, financial, and money laundering investigative techniques at the Federal Law Enforcement Training Center. My duties as a SA include investigating potential criminal violations of Title 26 (Internal Revenue Code), Title 18 (money laundering and related specified unlawful activities such as narcotics trafficking, wire fraud, and public corruption) and Title 31 (Bank Secrecy Act) of the United States Code. I have participated in public corruption and drug trafficking task forces. I am currently assigned to the IRSCI Dayton Post of Duty.

2. I have previous federal law enforcement experience as a SA with the Drug Enforcement Administration (“DEA”) from 2009 until 2023. I have conducted and participated in complex drug trafficking conspiracy and money laundering investigations that have involved: arrests; the execution of search warrants that resulted in the seizure of narcotics, narcotics proceeds, and other evidence of narcotics trafficking activities; and my supervision of the activities of cooperating sources (“CS”) who have provided information and assistance resulting in narcotics purchases. Through training and experience, I am familiar with how persons involved in the illicit distribution of controlled substances often operate. These people usually attempt to conceal their identities, as well as the locations at which they reside, and where they store controlled substances

and the illegal proceeds derived therefrom.

3. As a SA, I personally have written affidavits that led to the issuance of criminal complaints as well as search and seizure warrants.

4. I make this affidavit in support of a criminal complaint and arrest warrant for ALICIA MCDERMOTT for a violation of 18 U.S.C. § 641 (theft of government funds). Through my personal observations and participation in this investigation as well as from information provided to me by other law enforcement officers, I am familiar with facts and circumstances of this case. This affidavit is intended to show only that there is sufficient probable cause for the requested criminal complaint and does not set forth all my knowledge of this matter.

II.

SUMMARY OF PROBABLE CAUSE

5. During late 2023, IRSCI received information from Universal 1 Credit Union (“Universal 1”) concerning customer ALICIA MCDERMOTT. According to Universal 1, on or about November 9, 2023, MCDERMOTT had presented a United States Treasury Check in the amount \$381,078.00 for deposit at a branch in the Dayton, Ohio, area. The check raised concerns for Universal 1 because MCDERMOTT’s last name was misspelled on it. Universal 1 declined to cash the check and alerted IRSCI to the incident.

6. Upon learning of this attempted deposit, IRSCI searched law enforcement databases and identified MCDERMOTT’s social security number as well as her home address – namely, 121 Fairground Ave., Dayton, Ohio 45409. With this information, IRSCI reviewed federal tax information concerning MCDERMOTT to determine whether she properly had obtained the United States Treasury checks that she had attempted to cash.

a. IRSCI soon located 2022 IRS Form 1040 U.S. Income Tax Return filed under MCDERMOTT's social security number but associated with the name of "Alicia McDermo" (hereinafter "the 2022 Return"). The tax return claimed a federal tax refund for "Alicia McDermo" in the amount of \$381,078.00 arising from a purported overpayment of taxes on farm income and other earnings. (Based on my training, experience, and discussions with other IRSCI agents, I know that a common tax scheme involves individuals filing fraudulent tax returns misrepresenting that they have overpaid their taxes on farm income). In reviewing MCDERMOTT's tax records, IRSCI learned that she had not filed a tax return since tax year 2019.

b. A further review of IRS records revealed that, based on the information in the 2022 Return, the Treasury Department issued a check in the name of "Alicia McDermo" for \$381,078.00 and mailed it to 121 Fairground Ave., Dayton, Ohio 45409 during early November 2023.

c. Given that MCDERMOTT previously had not filed a tax return since tax year 2019, the unusual claim of farm income on the 2022 Return, the misspelling of her name on the 2022 Return, and Universal 1's concerns, IRSCI decided to interview her.

7. On the afternoon of November 27, 2023, IRSCI special agents went to MCDERMOTT's home at 121 Fairground Ave., Dayton, Ohio, and knocked on the door. MCDERMOTT's husband (whom this affidavit identifies by his initials "D.M.") answered the door. IRSCI agents introduced themselves and explained that they wished to speak with D.M.'s wife, MCDERMOTT, concerning a check that she recently had tried to cash. D.M. invited the agents inside of the house and introduced them to his wife, MCDERMOTT. Standing in the threshold of the home, the IRSCI agents proceeded to speak with MCDERMOTT.

a. MCDERMOTT indicated that she had just “gotten off the phone with you guys” (i.e., the IRS). She explained that she had received a check from the IRS for \$381,078.00 in the name of Alicia McDerma. MCDERMOTT advised that she had tried to cash the check but that the bank would not accept it because it was in the wrong name. MCDERMOTT explained that she was contacting the IRS to re-issue her the check in her correct name. When IRSCI agents asked MCDERMOTT why she believed that she had received the check, she indicated that she did not know and conceded that she had failed to file a 2022 tax return. MCDERMOTT, in fact, admitted that she had not filed a tax return since 2019.

b. IRSCI agents showed MCDERMOTT the 2022 Return that had been filed under her social security number. MCDERMOTT confirmed that she had not filed that return and that the income and withholding information on the 2022 Return was false. (She did acknowledge that, other than the misspelling of her name, the 2022 Return contained her correct personal identifiers). MCDERMOTT speculated that she may have been a victim of identity theft.

c. IRSCI agents explained to MCDERMOTT that the United States Treasury check that she had received had been issued as a direct result of the fraudulent 2022 Tax Return. IRSCI agents explained that, since the tax return was false (as MCDERMOTT just had confirmed), she was not entitled to those funds. MCDERMOTT indicated that she understood that this money did not belong to her and that she was not entitled to it. IRSCI agents advised MCDERMOTT that, if she received any further United States Treasury checks from the 2022 Return, she was not to cash them but rather she should contact the IRSCI agents, one of whom provided a business card. IRSCI agents specifically cautioned MCDERMOTT that, if she attempted to deposit a similar United States Treasury check, she would be committing a crime. MCDERMOTT

advised that she understood and that she had no desire to get into trouble.

8. On February 9, 2024, Wright Patt Credit Union (“WPCU”) contacted IRSCI concerning the suspicious deposit of a United States Treasury check by a customer named ALICIA MCDERMOTT.

a. According to WPCU, MCDERMOTT arrived at the credit union in the Dayton, Ohio area on February 7, 2024, and opened a new account. MCDERMOTT then deposited into the account a United States Treasury check in the amount of \$381,078.00. (From a review of IRS records, the check represented a fraudulent refund on the fictitious 2022 Return). Given the size of the deposit, WPCU allowed MCDERMOTT to withdraw only \$5,000 in cash from it, placing a hold on the remaining balance until the check cleared.

b. Soon thereafter, WPCU security discovered the transaction and considered it suspicious. WPCU placed a recorded call to MCDERMOTT at the number MCDERMOTT provided on her account opening documentation. (I have reviewed this call, and I recognize MCDERMOTT’s voice on it). When speaking with WPCU, MCDERMOTT falsely claimed that someone with whom she had worked filed the 2022 Return on her behalf. MCDERMOTT assured WPCU that the tax return and refund were legitimate; MCDERMOTT offered to provide tax transcripts that she claimed would substantiate the validity of the return and refund. As detailed above, MCDERMOTT’s statements to WPCU contradict her November 2023 interview with IRSCI.

c. Deeming that MCDERMOTT was not entitled to the funds, WPCU placed a hold on the remaining \$376,078.00 in the account. WPCU ultimately returned the funds to the Treasury Department.

9. Upon learning of MCDERMOTT's second efforts to cash improperly the refund from the 2022 Return, IRSCI reviewed records to determine if MCDERMOTT had contacted IRS following her interview with agents during late November 2023. These records – including call logs and recorded telephone conversations – revealed that MCDERMOTT had a series of conversations between approximately December 2023 and January 2024 with IRS representatives concerning the 2022 refund check. During these recorded calls (which I have reviewed and again recognized MCDERMOTT's voice), MCDERMOTT claimed, among other things, that her husband had died and that she needed the 2022 refund check reissued so that she could pay for his funeral expenses. (IRSCI has reviewed obituaries for the Dayton, Ohio area during December 2023 and January 2024 and found no indication of D.M.'s death; to the contrary, IRSCI located information indicating that D.M. was convicted of a traffic violation in Dayton Municipal Court during February 2024). MCDERMOTT further requested that the IRS correct the name on the check from "Alicia McDeremo" to MCDERMOTT. She also advised the IRS that she had relocated to 520 Beckman Street, Dayton, Ohio 45410, and directed them to send her 2022 refund check to that location. Apparently unaware of the fraud associated with the 2022 Return, the IRS employee with whom MCDERMOTT spoke caused the check to be reissued and mailed to 520 Beckman Street, Dayton, Ohio 45410 on or about February 2, 2024. It was this United States Treasury check that MCDERMOTT fraudulently deposited at WPCU just days later.

10. Based on the foregoing, I believe that, on or about February 7, 2024, MCDERMOTT stole property of the United States – namely, funds of the United States Treasury. Whatever her role in the initial filing of the 2022 Return, MCDERMOTT was on notice as of November 27, 2023, that she was not entitled to any portion of the refund issued on that return.

MCDERMOTT, in fact, acknowledged that the 2022 Return was fraudulent and that she was not entitled to any portion of the refund on it. Despite that knowledge, MCDERMOTT falsely contacted the IRS during December 2023 and January 2024 in an effort to fraudulently obtain a refund check for the 2022 Return. Upon receiving the check, MCDERMOTT fraudulently and willfully attempted to negotiate it knowing that it did not actually belong to her. Accordingly, I respectfully request that the Court issue the above-requested warrant.

Respectfully submitted,

David Ashley

David Ashley
Special Agent
IRS-CI

By telephone
Subscribed and sworn ~~before me~~ this 10th day of April 2024 in Dayton, Ohio.



Caroline H. Gentry
United States Magistrate Judge
